Secta. II-37—100,000—21-6-52.

# Food (1949) Department.

## M.S. SERIES.

G.O. No. 243.
243

Dated 10.3.49
10-3-49

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## [Despatch Abstract.]

PROCUREMENT - Foodgrains - Appointment of procurement agents, wholesalers and retailers - Liberal issue of Licences under the M.F.G. O. Order 1947- Instruction.

GOVERNMENT OF MADRAS.

ABSTRACT.

PROCUREMENT - Foodgrains - Appointment of procuremant agents, wholesalers and retailers - Liberal issue of licences under the M.F.G.C. Order, 1947 - Instructions issued.

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FOOD DEPARTMENT

G.O. Ms. No. 243 — Dated 10-3-1949.

Read the following:

From the Secretary to the Commissioner of Civil Supplies
Madras Confidential D.O. No. 15650/U2/49-1
dated 18-2-1949.

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O R D E R:

In order to minimise the evils arising out of a system of monopoly, it has been considered necessary that a larger number of procurement agents, wholesalers and and retailers should be appointed and that licences under the M.F.G.C. Order, 1947, should be issued more liberally. TheGovernment accordingly pass the following orders:-

1. Increase in the number of licences under the M.F.G.C.O. '47.

According to the existing orders, licenees under the M.F.G.C. Order, 1947, are ordinarily issued only to persons who were in the foodgrains trade for a period of at least one year immediately prior to 22.6.42, which is the date of introduction of M.F.G.C. Order, 1942. This means that persons who had been in the business for some years before the basic period and had subsequently discontinued the business for some reason or other will not be eligible to get a licence except under special circumstances. As this provision unduly restricts the entry of many people into the trade, the Government now direct that licences should be issued on application to all people who were in the foodgrains business in 1939 and 1940 or even before provided that they produce satisfactory evidence to show that they were in the foodgrains business and provided also that they have not at any time been found guilty of hoarding or other blackmarketing offices or even strongly suspected of ~~having~~ having indulged in such anti-social activities. Those who are now holding licences will continue to do so along as they continue to maintain a good record.

2. Increase in the number of procurement agents, wholesalers and retailers:-

The Board has stated in para 2 of ~~the~~ its D.O. cited that for the reasons explained therein no further action in this matter is called for. The Government however, consider that there is ~~t~~- still considerable room for increasing the number of procuring agents, wholesalers and retailers still further. It is an irrefutable fact that the procuring agents and others have been finding it extremely difficult to invest more money in the foodgrains business as the money market is tight. The only method by which more money can be made available for procurement purposes is by appointing more procuring agents. This will not only obviate the monopoly of a few dealers and consequently minimise the evils inevitable in such monopoly but will also attend to maximise procurement. The Government therefore consider that the existing number of procuring agents is not sufficient and that it will have to be further increased.

3. Monopoly or Free Procurement:-

So far as surplus districts are concerned, generally speaking, there is no monopoly in the surplus district. Any miller or merchant who holds a licence under the M.F.G.C. Order can make his purchase in any part of the district. There is therefore no territorial monopoly within the district and all that has to be done now is to increase the number of such by throwing open the field to all persons who were doing business in 1939 and 1940 or before as ordered in para 1 above. In some districts, mostly the deficit districts, there is a territorial monopoly in the sense that a few villages forming a group have been allotted to a particular licence to the exclusion of others. This monopoly carries with it its own evils and orders were therefore issued in G.O. No. Ms. 1310 Food dated 6-12-1947 that each such area should have at least two licensees for procurement. As it is observed from sub-para 2 of para 1 of its L.Dis. No. 3239½UII/49 dated 15-2-49 that the Collectors who have been trying to implement this order have not been successful, the Government consider that a Press Note inviting applications from all persons who have been in the trade in 1939 and 1940 or even before for procurement agency within the time limit to be fixed may be issued and that the Collectors may be asked to authorise all of them except such of those who have been punished for serious irregularities in connection with procurement or rationing or whose activities have been regarded as highly anti-social. This will apply to all districts surplus or deficit. This procedure will make procurement more successful than hitherto and the evils arising out of procurement and rationing might also be minimised. A similar procedure may be adopted in reg rd to wholesalers and retailers also. If any wholesaler or retailer considers that it is not worthwhile to continue in the business, he will of his own accord drop out.

4. Security deposits from wholesalers and retailers.

Under the existing orders the amounts of securit, depostis to be taken have been fixed as Rs. 5000/- for procuring agents and wholesale distributors and Rs. 250/- for retail distributors. The Government now direct that these amounts should be reduced to Rs. 1,000/- and Rs. 200/- respectively. The Board of Revenue (Civil Supplies) is request to take necessary action to amend the relevant agreements executed in this regard.

5. The Board of Revenue (Civil Supplies), Madras is requested to take immediate action on the lines indicated above and issue necessary instructions in the matter and send a copy e to Government for information. The Board is also requested to submit a draft of the Press Noe referred to in para 3 above for approval and issue by Government.

(Sd) M.A. Kuttalingam pillai
Secretary to Government.

To
The Board of Revenue (Civil Supplies).

/True Copy/

SUPERINTENDENT

SP/8.7.

Madras Record Office.